



مصرف التّارقة الإسلامي
Sharjah Islamic Bank

Management Report

2014-2nd Quarter Report

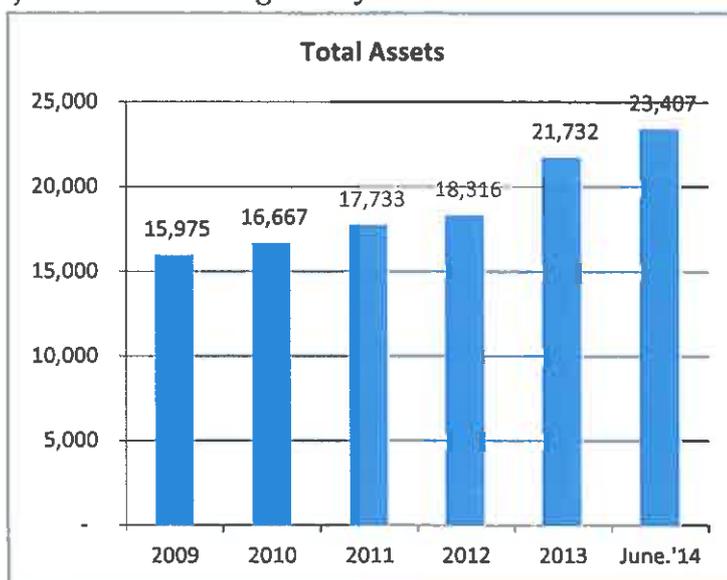
Financial Review

Sharjah Islamic Bank achieved a net profit of AED 202.1 million and its total assets reached AED 23.4 billion by the end of June 2014. SIB has been successfully pursuing a strategy of stable growth in both profitability and financial position which is reflected in the figures below.

Balance Sheet:

Total Balance Sheet of Sharjah Islamic Bank grew by 7.7% to reach AED 23.4 billion at the end of June 2014 compared to AED 21.7 billion at the end of December 2013.

The following are the main changes and highlights that occurred on the asset-side of the balance sheet:



Liquid Assets:

Liquid assets reached AED 4.3 billion or 18.4% of the Balance Sheet at the end of June 2014 compared to AED 5.1 billion or 23.6% at the end of 2013.

Customer Receivables:

Net customer receivables of the bank amounted to AED 14.5 billion at the end of June 2014; an increase of 15.7% or AED 2.0 billion compared to the end of December 2013.

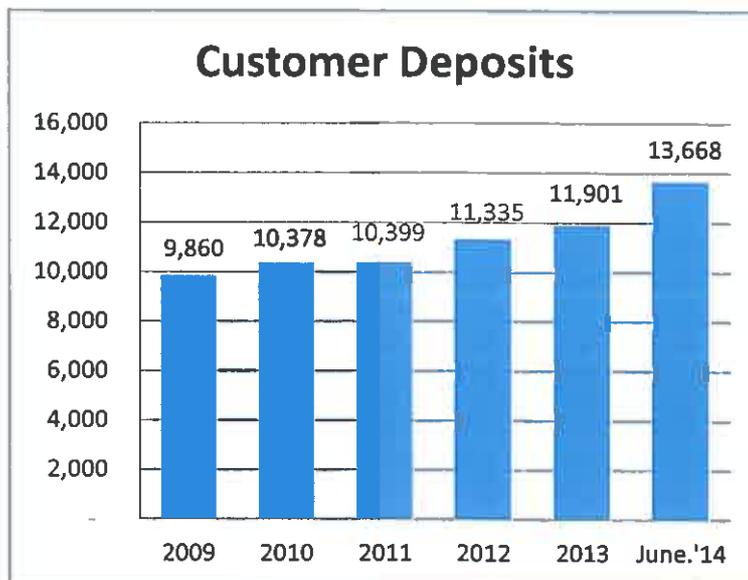
The increase in Customer Receivables reflects higher but cautious customer financing. It also reflects the changes made to the financing portfolio of the bank so as to make better use of available liquidity while being aware of the risks that are still prevalent.

Investment Securities:

Investment securities increase by 16.5% to reach AED 1.4 billion at the end of June 2014 compared to AED 1.2 billion at the end of December 2013.

Customer Deposits:

Sharjah Islamic Bank was successful in attracting more deposits during the 2nd quarter of the year as customer deposits reached AED 13.7 billion by the end of June 2014; growing by 1.8 billion or 14.8% compared to AED 11.9 billion at the end of 2013.



Due to Banks:

Due to banks reached AED 1.0 billion by the end of June 2014 with a decrease of AED 306.7 million or 23.5% compared to AED 1.3 billion at the end of December 2013.

Shareholders' Equity:

Sharjah Islamic Bank is strongly capitalized. Total shareholders' equity reached AED 4.5 billion or 19.2% of total balance sheet by the end of June 2014. This strong financial position allows the bank to pursue its strategic growth objectives, maintain a strong capital adequacy ratio (26.98% by the end of June '14) and to remain structurally strong.



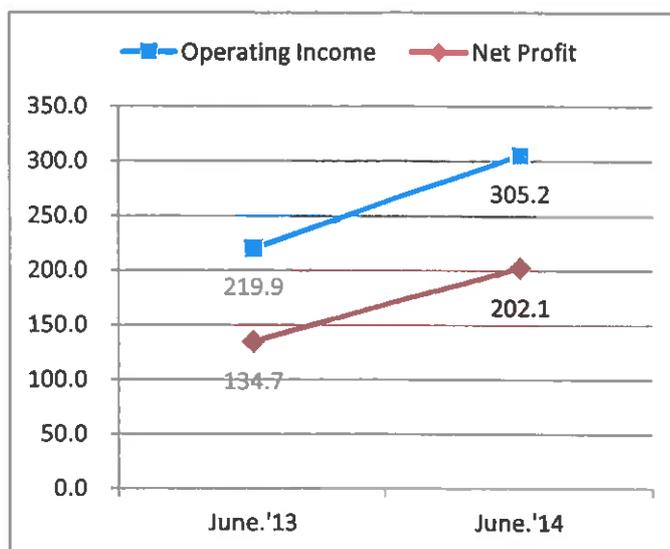
Income Statement:

Sharjah Islamic Bank posted a Net Profit of AED 202.1 million at the end of the 2nd Quarter of 2014, compared to AED 134.7 million in the same period of 2013, an increase of 50%.

Net Operating Income reached AED 305.2 million by the end of June 2014 compared to AED 219.9 million in the same period 2013, an increase of 38.8%.

Other main highlights of the Income Statement are:

Income from Murabaha and Leasing reached AED 413.2 million by the end of June 2014 compared to AED 345.4 million at the same period 2013; an increase of AED 67.8 million or 19.6%.



Profit paid on Sukuk reached AED 63.3 million compared to AED 47.2 in the same period 2013; AED 16.1 million higher which was mainly due to the issuance of new Sukuk of USD 500 million in April 2013.

Fees, Commission and Other Income reached AED 131.2 million by the end of June 2014 compared to AED 79.4 million in the same period 2013, an increase of AED 51.7 million or 65.1%.

Income from subsidiary reach AED 25.0 million by end of June 2014 compared to AED 13.1 million in the same period 2013 an increase of AED 11.9 million or an 91.0%

On the expenses side, General and Administration Expenses reached AED 200.8 million by the end of June 2014 compared to AED 170.8 million in the same period 2013; an increase of AED 30.0 million or 17.6%.

Profits allocated and distributed to depositors reached AED 57.2 million by the end of June 2014 compared to AED 66.5 million in the same period 2013; a decrease of 14.1%. These profit allocations represent the depositors' share of the Bank's net operating profits based on the profit sharing mechanism between shareholders and depositors as approved by SIB's Shari'a Board.

Return (*annualized*) on Average Shareholders' Equity (ROAE) reached 8.96% by the end of the 2nd Quarter 2014 compared to 6.84% at the end of December 2013, while Return (*annualized*) on Average Assets (ROAA) was 1.79% by the end of June 2014 compared to 1.53% at the end of December 2013.

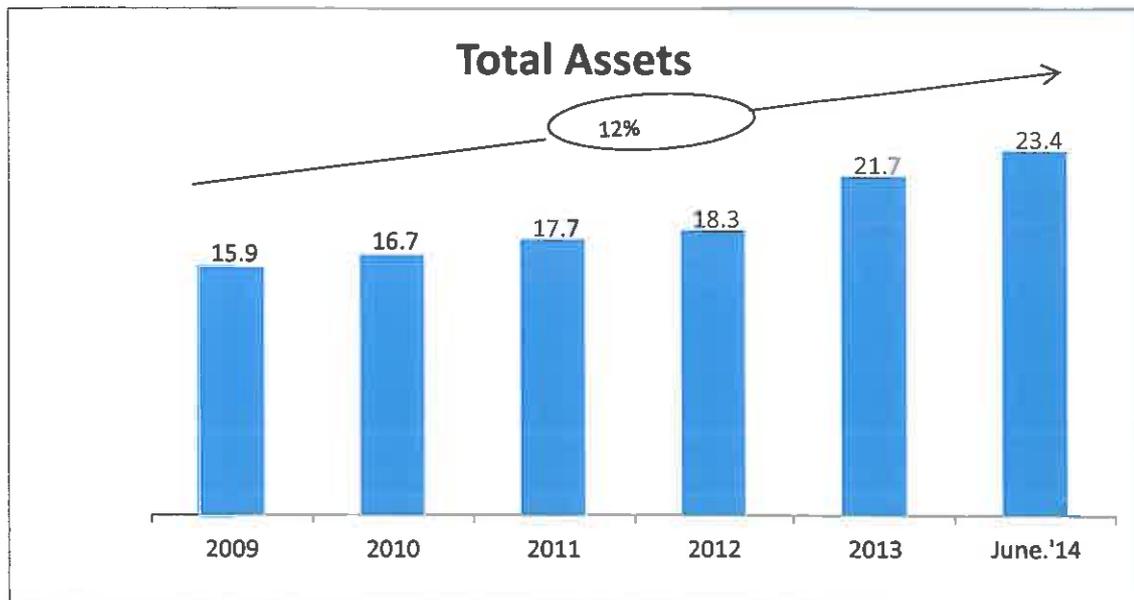
Summary of key figures and performance ratios

<i>(Figures in AED Millions)</i>	2009	2010	2011	2012	2013	Q2-2014
Total Assets	15,975	16,667	17,733	18,316	21,732	23,407
Net Customer Receivables	10,021	9,654	10,427	10,749	12,519	14,489
Customer Deposits	9,860	10,378	10,398	11,335	11,901	13,668
Total Shareholders' Equity	4,264	4,348	4,406	4,444	4,536	4,487
Return on Average Assets	1.65%	1.63%	1.46%	1.51%	1.53%	1.79
Return on Average Equity	6.17%	6.19%	5.74%	6.15%	6.84%	8.96
Equity to Total Assets	26.69%	26.09%	24.85%	24.26%	20.87%	19.17%
Leverage of Total Capital (Times)	2.75	2.83	3.02	3.12	3.79	4.22

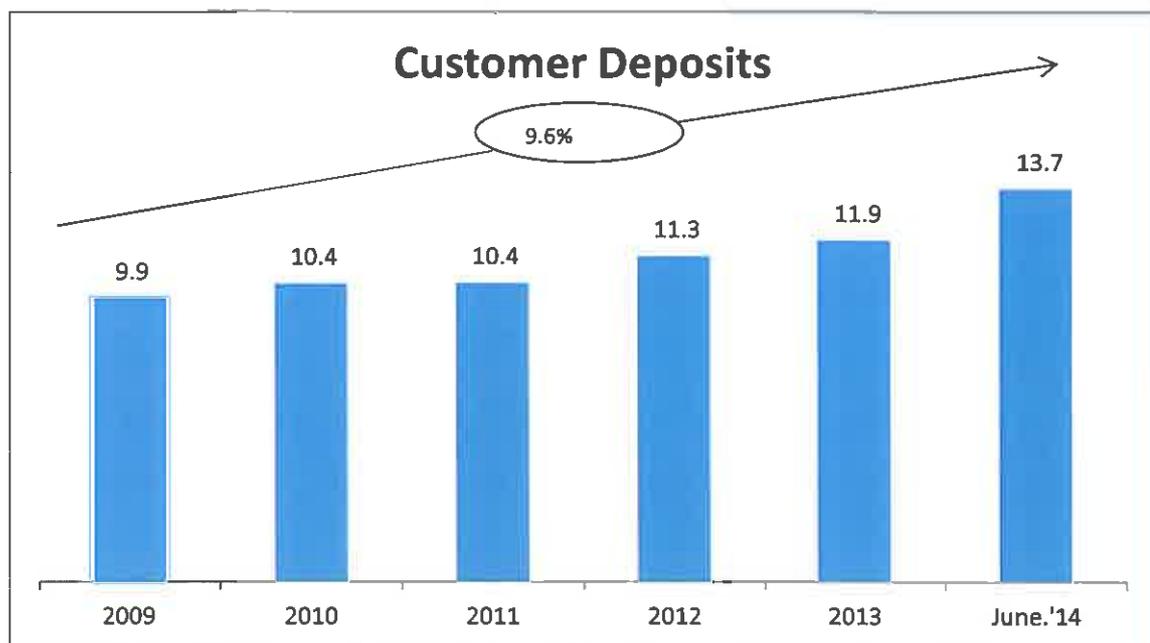
* *Annualized.*



Total Assets, AED billion

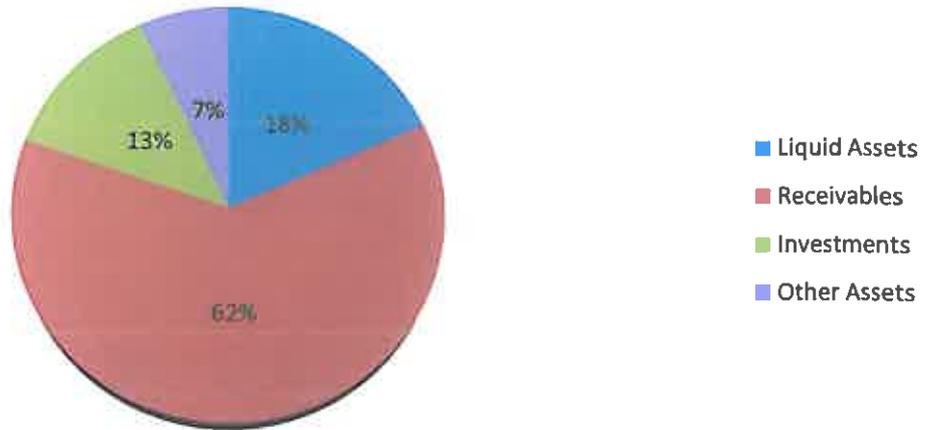


Customer Deposits, AED billion



Assets and Liabilities Structure

SIB Assets Structure



SIB Liabilities Structure

